

## **REPORT OF THE FINANCE LABOR SUBCOMMITTEE**

### **AMENDED**

**June 15, 2004**

The Honorable,  
The Board of Commissioners of Cook County

### **ATTENDANCE**

Present: Chairman Murphy, Vice Chairman Moreno, Commissioners Gorman, Hansen and Maldonado (5)

Absent: Commissioners Butler and Sims (2)

Also  
Present: Commissioner Silvestri

Ladies and Gentlemen:

Your Finance Labor Subcommittee of the Board of Commissioners of Cook County met pursuant to notice on Tuesday, June 15, 2004 at the hour of 2:00 PM in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Subcommittee has considered the following item and upon adoption of this report, the recommendations are as follows:

265627      AMENDMENT TO THE COOK COUNTY LIVING WAGE ORDINANCE (PROPOSED ORDINANCE AMENDMENT). Submitting a Proposed Ordinance Amendment sponsored by Roberto Maldonado and John P. Daley, County Commissioners. Co-Sponsored by Bobbie L. Steele, Mike Quigley and Larry Suffredin, County Commissioners.

requesting authorization to amend to the "Cook County Living Wage Ordinance" (98-O-21), approved by the Board on September 15, 1998, for your approval. This item will be introduced at the May 18, 2004 Board meeting and I will request that it be referred to the Finance Labor Subcommittee for further review and discussion.

Similar to the City of Chicago's Living Wage Ordinance (Title 2, Chapter 92, Section 610), the proposed amendment increases the living wage for lowest-wage individuals employed by contractors or subcontractors doing business with Cook County. The county's current living wage of \$7.60 per hour will be increased to \$9.43 per hour if health benefits are provided, or \$10.68 per hour with no health benefits. There will be an annual adjustment calculated as 100% of the federal poverty line for a family of four (as defined by the U.S. Department of Health and Human Services) with health benefits and 125% of the federal poverty line for a family of four without health benefits.

In addition, the proposed amendment applies to companies benefiting from property tax incentives as set forth in the Cook County Real Property Assessment Classification Ordinance.

These amendments will ensure fair wages and will contribute to the county's overall economic well-being.

The following is a synopsis of the Proposed Ordinance Amendment.

PROPOSED ORDINANCE AMENDMENT

**COOK COUNTY LIVING WAGE ORDINANCE**

**WHEREAS**, on September 15, 1998, the Cook County Board of Commissioners passed the County Living Wage Ordinance to establish meaningful employee compensation for lowest-wage individuals employed by a person or business entity awarded a contract or subcontract with Cook County; and

**WHEREAS**, Cook County's Living Wage Ordinance should be updated to reflect the most recent federal poverty level standards to maintain a stable and productive work force thereby stimulating the local economy; and

**WHEREAS**, companies that benefit from property tax incentives from Cook County should be held to the same living wage standard as those companies who do business with Cook County to ensure a fair wage for their employees and to contribute to the County's overall economic well-being; now, therefore,

**BE IT ORDAINED BY THE PRESIDENT AND THE BOARD OF COMMISSIONERS OF THE COUNTY OF COOK:**

The Cook County Living Wage Ordinance (98-O-21) is hereby amended by deleting the language stricken and by inserting the underlined language as follows:

**Section 1. Living Wage Requirements.**

**Section 2. Applicability.**

**Section 3. Effective Date.**

**\*Referred to Committee on Finance Labor Subcommittee on 5/18/04.**

Commissioner Maldonado stated that the essence of the Living Wage Ordinance is that it requires contractors, subcontractors and anyone who receives a Cook County tax incentive to pay their employees a living wage of \$9.43 per hour if the employees receive health insurance or \$10.68 if they do not receive health insurance. To determine these figures, the U.S. Department of Health and Human Services' poverty guidelines were used. For a family of four to live above poverty they must earn an income of \$18,850 per year, which translates to \$9.43 per hour. One new provision is that businesses that seek tax cuts from Cook County must adhere to the Living Wage. He stated that one employer received \$5 million in tax breaks. He stated that nine new counties and cities have adopted a living wage requirement of their contractors, subcontractors and of those who receive tax breaks.

Chairman Murphy asked the Secretary to the Board to call upon the registered public speakers.

1. Hal Schwartz – Illinois Society of Realtors
2. Emma Lozano – Founder and President, Centro Sin Fronteras (Center Without Boundaries)
3. Idida Perez – Executive Director, West Town Leadership United
4. Marla Bramble – Senior Organizer, Bickerdiike Redevelopment Corporation
5. Rob Nash – Chicagoland Chamber of Commerce
6. Ray Harris – Director, Intergovernmental Relations, AFSCME Council 31

Record of Appearance Only: Illinois ACORN; Jacobito Alonso, Anselmo Saucedo, Rovertto Lopez, Jason Lopez, Alfred Womack

Chairman Murphy noted that \$7.60 per hour converts to \$304 per week, or \$1216 per month. The average monthly rent is between \$850 and \$1,000 per month. This cannot support a family. Further, she does not believe in trickle-down economics, rather, she believes the economy has to be standardized from the bottom up. Higher pay stimulates the economy through purchasing power. She stated that she is very much in favor of the ordinance. She noted that one of the tragedies of low wages is that people have to work several jobs and they do not have time to spend with their families. Only the high middle class can afford to have only one person working.

**Vice Chairman Moreno, seconded by Commissioner Butler Maldonado, moved the approval of Communication Nos. 265627 subject to it being amended regarding the different classifications of the tax incentive program. The motion carried. Commissioner Gorman voted no.**

**Commissioner Gorman moved to adjourn the meeting, seconded by Vice Chairman Moreno. The motion carried and the meeting was adjourned.**

Respectfully submitted,  
Finance Labor Subcommittee

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Joan Patricia Murphy, Chairman

Attest:

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Michelle Harris, Secretary